

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

Aquila, Inc., d/b/a Aquila) Application No. NG-0001
Networks (Aquila), Omaha, seeking) Application No. NG-0002
a general rate increase for) Application No. NG-0003
Aquila's Rate Area One.)
)
Aquila, Inc., d/b/a Aquila)
Networks (Aquila), Omaha, seeking)
a general rate increase for) REFUND PLAN APPROVED
Aquila's Rate Area Two.)
)
Aquila, Inc., d/b/a Aquila)
Networks (Aquila), Omaha, seeking)
a general rate increase for)
Aquila's Rate Area Three.) Entered: March 23, 2004

On January 21, 2004, the Commission issued its order in the above-captioned proceedings approving the Settlement Agreement and Tariffs. As part of its order, the Commission ordered Aquila, Inc., d/b/a Aquila Networks (Aquila) to file a proposed Refund Plan consistent with the terms of the settlement and for consideration by the Commission. On February 23, 2004, Aquila filed its proposed Refund Plan for Commission consideration.

Pursuant to the Commission's January 21, 2004 order, Cornerstone Energy, Inc. (Cornerstone) and the Public Advocate filed Comments regarding Aquila's proposed Refund Plan. On March 10, 2004, Aquila replied to the Comments of the Public Advocate concerning the issue of whether the State Natural Gas Regulation Act, Neb. Rev. Stat. § 66-1801, *et. seq.* (2003) expressly provides the Commission with authority to permit a surcharge on ratepayers for a shortfall in overall annual increases during the interim period.

Upon review of Aquila's Refund Plan and the Comments submitted related thereto, the Commission finds that the methodology set forth in Aquila's Refund Plan, including but not limited to its proposal to surcharge certain Commercial and Energy Options customers, is within the authority of the Commission. The Refund Plan is in the public interest and therefore approved. Aquila may proceed by implementing Rate Case refunds using the methodology described in its Refund Plan. Aquila is hereby directed to file a Final Refund Report within 60 days of completing such refunds or assessing surcharges to its customers.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Refund Plan and its methodology filed by Aquila, Inc., d/b/a Aquila Networks is approved.

IT IS FURTHER ORDERED that within 60 days from the date of completing refunds or surcharges, Aquila, Inc., d/b/a Aquila Networks shall file a Final Refund Report showing the refunds made or surcharges assessed pursuant to this order approving the refund methodology in its Refund Plan.

Made and entered at Lincoln, Nebraska, this 23rd day of March, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director